

# Financial Statements

2018



**Law Society**  
of Ontario

**Barreau**  
de l'Ontario

LAW SOCIETY OF ONTARIO

# **2018 Annual Financial Statements**

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# LAW SOCIETY OF ONTARIO

## 2018 ANNUAL FINANCIAL STATEMENTS

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Summary of Financial Performance

The Law Society of Ontario's ("Society") lawyer and paralegal General Funds, which account for the Society's program delivery and administrative activities, are reporting a combined operating deficit of \$118,000 (2017 – \$860,000 deficit). The 2018 budget incorporated \$4.8 million of the lawyer General Fund Balance to mitigate fee increases and incorporated \$600,000 in funding from surplus investment income in the Errors & Omissions Insurance Fund. The 2018 budget also projected a deficit in the Paralegal General Fund of \$2.1 million with the use of the accumulated fund balance, so operating results are better than budgeted.

The unrealized capital loss on investments was the primary adverse deviation from budget. The loss in asset value but not cash value in long-term equity and fixed income investments, has almost all been recovered in the first quarter of 2019.

The Society's restricted funds are reporting a combined surplus of \$7.5 million in 2018 (2017 – \$7.9 million deficit) with the Lawyer Compensation Fund experiencing a surplus of \$8.5 million (2017 – \$9.5 million deficit). In response to unusually high claims against the Lawyer Compensation Fund over recent years, the Society implemented a three year plan to refinance the Fund and restore its financial stability. As part of this plan, the 2018 Compensation Fund component of the annual fee was increased by \$213 to \$300 per lawyer. This revenue boost, together with fund expenses decreasing from \$14.7 million in 2017 to \$3.5 million in 2018 has allowed the fund balance to increase from just over \$3 million to nearly \$12 million.

#### Statement of Revenues and Expenses and Change in Fund Balances

##### Revenues

###### *Annual Fees*

Total annual fee revenues have increased to \$95.8 million (2017 – \$82.2 million) after the total annual fee per lawyer and paralegal increased by \$267 and \$54, respectively. The number of licensees billed also increased although the rate of increase in the number of full-fee-paying-equivalent paralegals is levelling off.

###### *Insurance Premiums and Levies*

The Errors & Omissions Insurance Fund ("E&O Fund") accounts for insurance related transactions between LawPRO, the Society and insured lawyers. The E&O Fund collects premiums and levies from lawyers and remits these amounts to LawPRO. Insurance premiums and levies decreased to \$102.7 million in 2018 (2017 – \$103.2 million). The base premium for professional liability insurance coverage for Ontario lawyers was \$2,950 in 2018, the same as 2017. The professional liability insurance program was essentially the same, year on year.

#### *Professional Development & Competence (“PD&C”)*

PD&C revenue comprises licensing process and continuing professional development fees. Total PD&C revenue is in line with the previous year at \$22 million (2017 – \$21.9 million).

Licensing Process revenue from lawyer (\$11.9 million) and paralegal candidates (\$2.2 million) have increased to a total of \$14.1 million (2017 - \$13.9 million), in excess of budget. The underlying tuition fees charged to candidates did not change. The annual revenue from candidates comes from all active candidates in the system, some of whom will be from a previous licensing year whose related activities, such as exam rewrites, have increased. The Law Practice Program (“LPP”) provides lawyer licensing candidates the option of either articling or completing the LPP.

Total Continuing Professional Development (“CPD”) revenue from lawyers (\$7.2 million) and paralegals (\$745,000) is in line with 2017 and less than budget. The shift toward online learning continues with more registrants viewing programs via live webcast or on demand.

#### *Investment Income and Change in Fair Value of Investments*

Decreases in the market value of Canadian equities and rising bond yields, particularly in the last quarter of 2018, resulted in an unrealized loss of \$3.3 million for the year (2017 – \$896,000 gain), offset by investment income of \$2.6 million (2017 – \$1.9 million).

#### *Other Revenue*

Other revenue of \$9 million (2017 – \$7.8 million) primarily comprises income from Ontario Reports royalties, administrative fees, regulatory compliance ordered cost recoveries and catering sales. The increase from 2017 is largely due to increases in administration fees and cost recoveries.

### **Expenses**

#### *Professional Regulation, Tribunals and Compliance*

Total regulatory expenses are relatively static at \$28.9 million (2017 – \$28.6 million) but are less than budget due to staff vacancies. The reorganization of the Division was predominantly completed in 2018 with some vacancies carrying into 2019.

#### *Professional Development and Competence*

Total PD&C expenses have increased nominally to \$29.4 million (2017 – \$29 million) and were slightly under budget.

There are nearly 2,400 newly registered lawyer candidates and 1,400 newly registered paralegal candidates in the licensing process annually. Candidates have three years within which to complete all components of licensing. Significant resources continue to be devoted to candidate’s special needs and accommodation requirements.

The movement toward online CPD program delivery and materials provision noted in the revenue discussion also provides savings in program expenses, including catering costs, course materials and venue rentals although these savings have been slightly offset by general cost increases in other areas.

### *Corporate Services*

Corporate services expenses, primarily comprising the Client Service Centre, Information Technology, Facilities, Finance and Human Resources, were \$27.8 million (2017 – \$25.1 million) increasing primarily due to the costs of leasing new office space. Total Corporate Services expenses were more than budget due to reorganization costs.

### *Convocation, Policy and Outreach*

Convocation, policy and outreach expenses, primarily related to Policy, Equity, External Relations & Communications and bencher related expenses, increased to \$9.4 million (2017 – \$7.3 million) and were under budget. The increase is related to increased activity in the External Relations & Communication and Policy Departments, including a strategic communication campaign to create awareness of the Society and reinforce the value of regulated legal professionals to the public.

## **Changes in Fund Balances**

### *General Fund*

A surplus for the year of \$1.3 million led to an increase in the lawyer General Fund to \$25.1 million. Convocation's fund balance policy requires a minimum of two months and a maximum of three months operating expenses be maintained in the lawyer General Fund balance or between \$17 million and \$26 million.

A deficit for the year of \$1.4 million led to a decrease in the paralegal General Fund to \$3.1 million.

### *Restricted Funds*

In 2018, the lawyer Compensation Fund surplus for the year amounted to \$8.5 million increasing the Compensation Fund balance for lawyers to \$11.8 million. The Society's current Lawyer Compensation Fund Management Policy is to maintain the fund balance at an amount sufficient to provide for a minimum of one 99.5th percentile aggregate claim scenario (a one-in-two-hundred-year event). The latest actuarial report estimates this balance at \$20.5 million. As in 2018, the 2019 budget raises \$5 million to assist in restoring the balance over three years.

In 2018, the Compensation Fund balance for paralegals decreased slightly to \$651,000 after a deficit for the year of \$66,000.

The E&O Fund balance decreased to \$54.6 million after the transfer of \$600,000 in cumulative excess investment income to the General Fund as budgeted and unrealized losses on investments of \$988,000.

## **Balance Sheet**

### *Investment in Subsidiaries*

Investment in subsidiaries comprises the Society's investments in LawPRO and LibraryCo and are recorded at cost. The LawPRO investment is made up of two parts: the cost of the acquired share capital of \$5 million plus contributed capital of \$30.6 million. The Society owns all the common shares of LibraryCo at a cost of \$100.

#### *Portfolio Investments*

Portfolio investments are shown at fair value of \$61.6 million (2017 – \$63.6 million) reduced because of unrealized losses totalling \$3.3 million. Investments comprise Canadian equities (30%) and Canadian fixed income investments (70%).

#### *Intangible Assets*

The Society is in the second of a three year process of replacing the existing licensee database with a modern, more robust database application that will better serve the Society's needs. The investment in this software has increased intangible assets from \$1.3 million to \$4.3 million.

#### *Provision for Unpaid Grants*

The Compensation Fund liability for unpaid grants has decreased to \$24.7 million (2017 – \$27.6 million). The provision for unpaid grants in the Compensation Fund represents the estimate for unpaid claims against the Compensation Fund, supplemented by the costs for processing these claims. The relatively large provision compared to historical data is attributable to higher claim volumes in past years including some large alleged defalcations on the part of a small number of licensees. Many of these claims are still being evaluated and, in some instances, related investigations are still ongoing. The lawyer Compensation Fund balance has fallen below the minimum established by the Fund Balance Management Policy of \$20.5 million. Refinancing measures undertaken in 2018 will continue in 2019.

The paralegal Compensation Fund provision for unpaid grants comprises \$189,000 (2017 – \$249,000) of the total Compensation Fund provision for unpaid grants.

#### **Conclusion**

The Society is in a financially sound position, has a strategy to address the Compensation Fund claims experience and is well placed for the future.

## Independent auditor's report

To the Members of the Law Society of Ontario

### **Our opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Law Society of Ontario (the Law Society) as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **What we have audited**

The Law Society's financial statements comprise:

- the balance sheet as at December 31, 2018;
- the statement of revenues and expenses and change in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Law Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Other information**

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Law Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Law Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Law Society's financial reporting process.

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***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Law Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Law Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Law Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
April 25, 2019

# LAW SOCIETY OF ONTARIO

## Balance Sheet

*Stated in thousands of dollars*

*As at December 31*

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash (note 10)	44,652	11,394
Short-term investments	13,921	41,870
Accounts receivable (notes 4 and 9)	12,416	10,820
Prepaid expenses	2,398	2,529
<b>Total current assets</b>	<b>73,387</b>	66,613
Investment in subsidiaries (note 4)	35,642	35,642
Portfolio investments (note 6)	61,580	63,619
Loan receivable (note 7)	878	—
Capital assets (note 8)	9,027	9,523
Intangible assets (note 8)	4,259	1,315
<b>Total Assets</b>	<b>184,773</b>	176,712
<b>Liabilities and Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (notes 5 and 9)	15,160	13,101
Deferred revenue	16,953	17,682
Due to LawPRO (note 4)	8,483	6,977
<b>Total current liabilities</b>	<b>40,596</b>	37,760
Provision for unpaid grants/claims	24,749	27,623
Unclaimed trust funds (note 10)	5,390	5,037
Lease obligations	522	201
<b>Total Liabilities</b>	<b>71,257</b>	<b>70,621</b>
<i>Commitments (note 16) and Contingencies (note 17)</i>		
<b>Fund Balances</b>		
<b>General funds</b>		
Lawyers	25,138	23,239
Paralegals	3,074	4,477
<b>Restricted funds (note 19)</b>		
Compensation – lawyers	11,762	3,285
Compensation – paralegals	651	717
Errors and omissions insurance	54,572	55,716
Capital allocation	4,144	6,684
Invested in capital and intangible assets	13,286	10,838
County libraries	131	—
Other	758	1,135
<b>Total Fund Balances</b>	<b>113,516</b>	106,091
<b>Total Liabilities and Fund Balances</b>	<b>184,773</b>	176,712

*The accompanying notes are an integral part of these financial statements*

*On behalf of Convocation*

*Treasurer*

*Chair, Audit & Finance Committee*

# LAW SOCIETY OF ONTARIO

## Statement of Revenues and Expenses and Change in Fund Balances

*Stated in thousands of dollars*

*For the year ended December 31*

	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>			<b>General Fund Lawyer</b>		<b>General Fund Paralegal</b>		<b>Restricted Funds (note 19)</b>	
Annual fees	<b>65,252</b>	60,321	<b>5,778</b>	5,066	<b>24,822</b>	16,859	<b>95,852</b>	82,246
Insurance premiums and levies	—	—	—	—	<b>102,657</b>	103,222	<b>102,657</b>	103,222
Professional development and competence	<b>18,942</b>	18,837	<b>3,073</b>	3,041	—	—	<b>22,015</b>	21,878
Investment income	<b>1,113</b>	626	<b>141</b>	70	<b>1,310</b>	1,248	<b>2,564</b>	1,944
Change in fair value of investments	<b>(761)</b>	194	<b>(96)</b>	22	<b>(2,395)</b>	680	<b>(3,252)</b>	896
Other (note 12)	<b>7,962</b>	6,593	<b>1,134</b>	931	<b>(74)</b>	290	<b>9,022</b>	7,814
<b>Total revenues</b>	<b>92,508</b>	86,571	<b>10,030</b>	9,130	<b>126,320</b>	122,299	<b>228,858</b>	218,000
<b>Expenses</b>								
Professional regulation, tribunals and compliance	<b>25,702</b>	25,662	<b>3,258</b>	2,907	—	—	<b>28,960</b>	28,569
Professional development and competence	<b>26,276</b>	25,873	<b>3,130</b>	3,156	—	—	<b>29,406</b>	29,029
Corporate services	<b>24,265</b>	22,585	<b>3,538</b>	2,563	—	—	<b>27,803</b>	25,148
Convocation, policy and outreach (note 13)	<b>8,486</b>	6,642	<b>932</b>	614	—	—	<b>9,418</b>	7,256
Services to members and public	<b>6,494</b>	6,081	<b>575</b>	478	—	—	<b>7,069</b>	6,559
Restricted (note 19)	—	—	—	—	<b>118,777</b>	130,229	<b>118,777</b>	130,229
<b>Total expenses</b>	<b>91,223</b>	86,843	<b>11,433</b>	9,718	<b>118,777</b>	130,229	<b>221,433</b>	226,790
<b>Surplus (Deficit)</b>	<b>1,285</b>	(272)	<b>(1,403)</b>	(588)	<b>7,543</b>	(7,930)	<b>7,425</b>	(8,790)
<b>Fund balances, beginning of year</b>	<b>23,239</b>	23,602	<b>4,477</b>	5,065	<b>78,375</b>	86,214	<b>106,091</b>	114,881
<b>Interfund transfers (notes 2 and 14)</b>	<b>614</b>	(91)	—	—	<b>(614)</b>	91	—	—
<b>Fund balances, end of year</b>	<b>25,138</b>	23,239	<b>3,074</b>	4,477	<b>85,304</b>	78,375	<b>113,516</b>	106,091

*The accompanying notes are an integral part of these financial statements*

LAW SOCIETY OF ONTARIO

**Statement of Cash Flows**

*Stated in thousands of dollars*

*For the year ended December 31*

	2018	2017
<b>Net inflow (outflow) of cash related to the following activities</b>		
<b>Operating</b>		
Surplus (deficit)	7,425	(8,790)
Items not affecting cash:		
Amortization of capital assets	1,970	1,875
Amortization of intangible assets	387	526
Loss on disposal of capital assets	239	—
Lease obligations	321	201
	<b>10,342</b>	<b>(6,188)</b>
Net change in non-cash operating items:		
Accounts receivable	(1,596)	(598)
Prepaid expenses	131	44
Accounts payable and accrued liabilities	2,059	(322)
Provision for unpaid grants/claims	(2,874)	4,629
Due to LawPRO	1,506	(985)
Deferred revenue	(729)	1,899
Fund contribution – unclaimed trusts	353	(84)
<b>Cash from (used in) operating activities</b>	<b>9,192</b>	<b>(1,605)</b>
<b>Investing</b>		
Portfolio investments – net	2,039	4,517
Loan receivable	(878)	—
Short-term investments – net	27,949	(15,164)
Capital asset and intangible asset additions	(5,044)	(3,528)
<b>Cash from (used in) investing activities</b>	<b>24,066</b>	<b>(14,175)</b>
<b>Net inflow (outflow) of cash, during the year</b>	<b>33,258</b>	<b>(15,780)</b>
Cash, beginning of year	11,394	27,174
<b>Cash, end of year</b>	<b>44,652</b>	<b>11,394</b>

*The accompanying notes are an integral part of these financial statements*

# LAW SOCIETY OF ONTARIO

## Notes to Financial Statements, December 31, 2018

Stated in whole dollars except where indicated

### 1. Background

The Law Society of Ontario (“Society”) was founded in 1797 and incorporated in 1822 with the enactment of the *Law Society Act*.

The *Law Society Act*, section 4.1, states that it is a function of the Society to ensure that:

- All persons who practise law in Ontario or provide legal services in Ontario meet standards of learning, professional competence and professional conduct that are appropriate for the legal services they provide; and
- The standards of learning, professional competence and professional conduct for the provision of a particular legal service in a particular area of law apply equally to persons who practise law in Ontario and persons who provide legal services in Ontario.

In carrying out its functions, duties and powers, the Society, pursuant to section 4.2 of the *Law Society Act*, shall have regard to the following principles:

- The Society has a duty to maintain and advance the cause of justice and the rule of law;
- The Society has a duty to act so as to facilitate access to justice for the people of Ontario;
- The Society has a duty to protect the public interest;
- The Society has a duty to act in a timely, open and efficient manner;
- Standards of learning, professional competence and professional conduct for licensees and restrictions on who may provide particular legal services should be proportionate to the significance of the regulatory objectives sought to be realized.

The governing body of the Society, which is known as Convocation, carries out this mandate. Convocation comprises benchers and the Treasurer who presides over Convocation.

At December 31, 2018, lawyers and paralegals entitled to provide legal services in Ontario numbered 54,000 and 9,000 respectively. The primary sources of revenues are member annual fees and insurance premiums and levies, set by Convocation, based on the financial requirements of the Society.

The Society is not subject to federal or provincial income taxes.

### 2. Nature of Financial Statements

These financial statements present the financial position and operations of the Society and include the General Funds and a number of special purpose funds restricted by the *Law Society Act* or Convocation.

#### ***Subsidiaries and Related Entity***

The Society has two wholly-owned subsidiaries: Lawyers' Professional Indemnity Company ("LawPRO"), and

LibraryCo Inc. (“LibraryCo”) and a related entity, the Law Society Foundation. The audited annual financial statements for these three entities are available separately.

### **General Fund**

The General Fund accounts for the Society’s program delivery and administrative activities related to the regulation and licensing of lawyers and paralegals. This fund reports unrestricted resources. At December 31, 2018, the lawyer fund balance was \$25,138,000 (2017 – \$23,239,000). The paralegal fund balance was \$3,074,000 (2017 – \$4,477,000).

The Society’s policy is to maintain the General Fund balance at no less than two and no more than three months of General Fund budgeted expenses.

If the General Fund balance exceeds three months of budgeted General Fund expenses, Convocation shall utilize the excess for one or more of the following:

- Mitigate the General Fund levy for the next fiscal year;
- Transfer the excess to another Society fund if the fund balance is below its stated policy benchmark.

If the General Fund balance is less than two months of budgeted General Fund expenses, Convocation shall budget for an annual surplus to restore the fund balance to its minimum policy objective. The minimum policy benchmark should be restored within three fiscal periods.

If the General Fund balance is more than two months of budgeted General Fund expenses and less than three months of budgeted General Fund expenses, Convocation may appropriate funds from the General Fund balance for one or more of the following:

- Mitigate the General Fund levy for the next fiscal year;
- Transfer the excess to another Society fund if the fund balance is below its stated policy benchmark.

### **Restricted Funds**

#### **Compensation Fund**

The Society maintains the Compensation Fund pursuant to section 51 of the *Law Society Act* to relieve or mitigate loss sustained by any person in consequence of dishonesty on the part of a licensee, in connection with the licensee’s professional business or in connection with any trust of which the licensee was a trustee. The Compensation Fund is restricted in use by the *Law Society Act*.

Pursuant to the *Law Society Act*, the Compensation Fund is supported by licensee annual fees, investment income and recoveries. The Compensation Fund accounts for program delivery, administration and payment of grants and has separate fund balances for lawyer licensees and paralegal licensees.

The Society’s policy is to maintain the Lawyer Compensation Fund balance at an amount sufficient to provide for a minimum of one 99.5th percentile aggregate claim scenario (one-in-two-hundred-year event) and a maximum of four 99th percentile aggregate claim scenarios (one-in-one-hundred year event). The estimated amount of aggregate claims is to be actuarially reviewed at least every three years.

If the Lawyer Compensation Fund balance exceeds four one-in-one-hundred-year events, Convocation shall utilize some or all of the excess for the following:

- Mitigation of the Lawyer Compensation Fund levy for the next fiscal year; or
- Annual mitigation of the Lawyer Compensation Fund levy shall continue such that within the next three fiscal years, the maximum benchmark shall be achieved.

If the Lawyer Compensation Fund balance is less than a one one-in-two-hundred-year event, Convocation shall budget for an annual surplus to restore the fund balance to its minimum policy objective. The minimum policy benchmark should be restored within three fiscal periods. The Lawyer Compensation Fund balance is currently \$11.8 million compared to the minimum policy objective of \$20.5 million. In the 2019 budget, \$5 million will be raised through annual fees to assist in restoring the balance over the next two fiscal periods.

If the Lawyer Compensation Fund balance is more than a one one-in-two-hundred-year event and less than four one-in-one-hundred-year events, Convocation may:

- Mitigate the Lawyer Compensation Fund levy for the next fiscal year or;
- Budget for a surplus sufficient to increase the fund balance to its maximum policy objective of four one-in-one-hundred-year events; or
- Leave the fund balance at its current balance for the upcoming fiscal year.

Prior to 2018, the General Fund allocated the full cost of its spot audit program and a portion of professional regulation expenses to the Compensation Fund. In order to present total expenses in a more relevant manner, this allocation has been discontinued. In recent years, the total allocated costs and matching annual fees approximated \$8 million annually. The 2017 comparative numbers have been reclassified to conform to the current year presentation. The change has no impact on the various fund balances, only the presentation of revenues and expenses within the funds.

At December 31, 2018, the lawyer share of the fund balance was \$11,762,000 (2017 – \$3,285,000) and the paralegal share of the fund balance was \$651,000 (2017 – \$717,000).

#### ***Errors and Omissions Insurance Fund***

The Errors and Omissions Insurance Fund (“E&O Fund”) accounts for insurance-related transactions between LawPRO, the Society and insured lawyers. The E&O Fund collects premiums and levies from lawyers, reported as revenues, and remits these amounts to LawPRO, reported as expenses.

Pursuant to section 61 of the *Law Society Act*, the Society arranges mandatory professional liability insurance for practising lawyers with LawPRO, and through the E&O Fund, levies the insured lawyers. Each year, the premium for the insurance program is established through a process whereby LawPRO provides an offer for review and acceptance by Convocation. The offer provides details on the components of the insurance program, including anticipated base premiums, claims history levies, transaction-based levies and amounts to be drawn from the E&O Fund balance.

There is a retrospective premium provision under the insurance policy between the Society and LawPRO. To the extent underwriting results vary from the approved program, additional premiums are charged. Under these provisions, LawPRO made no retrospective premium assessment in 2018 and 2017.

In 2018, \$600,000 (2017 – \$600,000) was transferred from the E&O Fund to the lawyer General Fund as provided in the 2018 budget representing accumulated investment income, surplus to the needs of the E&O Fund.

At December 31, 2018, the E&O Fund balance was \$54,572,000 (2017 – \$55,716,000). The Fund balance is comprised of:

(\$000s)	2018	2017
Investment in LAWPRO shares	5,000	5,000
Contributed capital	30,642	30,642
Reinsurance backstop	15,000	15,000
Other	3,930	5,074
<b>Total fund balance</b>	<b>54,572</b>	<b>55,716</b>

#### ***Capital Allocation Fund***

The Capital Allocation Fund is maintained to provide a source of funds for the acquisition and maintenance of the Society's capital and intangible assets which comprise buildings and major equipment including computers and software. Amounts of assets capitalized, according to the Society's capital asset policy, are transferred to the Invested in Capital and Intangible Assets Fund. Expenditures not capitalized are expended in the Capital Allocation Fund. At December 31, 2018, the balance was \$4,144,000 (2017 – \$6,684,000).

#### ***Invested in Capital and Intangible Assets Fund***

The Invested in Capital and Intangible Assets Fund records transactions related to the Society's capital assets and intangible assets, specifically acquisitions, amortization and disposals. At December 31, 2018, the balance was \$13,286,000 (2017 – \$10,838,000), representing the net book value of the Society's capital and intangible assets.

#### ***County Libraries Fund***

The County Libraries Fund records transactions related to the Society's support of county law libraries. As approved by Convocation, the fund accumulates funds for county library purposes, which are remitted to LibraryCo. The fund balance at December 31, 2018 was \$131,000 (2017 – \$nil).

#### ***Other Restricted Funds***

The Repayable Allowance Fund provides loans for tuition and living expenses to candidates in the lawyer licensing process. At December 31, 2018, the balance was \$47,000 (2017 – \$79,000).

The Special Projects Fund is maintained to ensure that financing is available for ongoing special projects approved by Convocation. The balance at December 31, 2018 was \$567,000 (2017 – \$756,000).

The Parental Leave Assistance Fund accounts for the delivery of the Parental Leave Assistance Program (“PLAP”) and is funded by lawyers’ fees. PLAP provides financial assistance to lawyers in firms of five lawyers or fewer who have a net annual practice income of less than \$50,000 and who do not have access to any other parental leave financial benefits. Under PLAP, the Society provides a fixed sum of \$750 a week to eligible applicants for up to 12 weeks to cover expenses associated with maintaining their practice during a maternity, parental or adoption leave. At December 31, 2018, the Fund balance was \$144,000 (2017 – \$297,000).

### **3. Significant Accounting Policies**

#### ***Basis of presentation***

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations set out in Part III of the *Chartered Professional Accountants of Canada Handbook – Accounting*.

#### ***Financial instruments***

The Society's financial assets and financial liabilities are measured at fair value on the original date of the transaction and then subsequently measured as follows:

<b>Asset / Liability</b>	<b>Measurement</b>
Cash	Fair value
Short-term investments	Fair value
Accounts receivable	Amortized cost
Portfolio investments	Fair value
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Unclaimed trust funds	Amortized cost

Investments in subsidiaries are reported at cost.

The fair value of portfolio investments is determined by reference to transactional net asset values for the fixed income and Canadian equity pooled funds. Transaction costs are expensed as incurred. The carrying value of accounts receivable, loan receivable, accounts payable and accrued liabilities and unclaimed trust funds approximate fair value due to their nature or capacity for prompt liquidation.

There has been no change in risk exposures from the previous period.

#### ***Interest rate risk***

The risk that the fair value of financial instruments will fluctuate due to changes in market interest rates is managed through compliance with the Society's investment policy. The normal duration range for the bond portfolio administered under the policy is between 1 and 5 years. The Society has no interest-bearing liabilities.

Fluctuations in interest rates do not have a significant effect on cash and short-term investments of the Society.

#### ***Market risk***

The risk that the fair value of financial instruments will fluctuate due to changes in market prices is managed through compliance with the Society's investment policy, which requires a diversified portfolio of government bonds, corporate bonds and Canadian equities meeting specified quality requirements.

#### ***Credit risk***

Credit risk is the possibility that other parties may default on their financial obligations. At year-end, the maximum exposure of the Society to credit risk in cash and short and long-term fixed income investments

was \$100,697,000 (2017 – \$95,382,000). In compliance with the Society's investment policy, fixed income investments are in the financial obligations of governments, major financial institutions and commercial paper with investment grade ratings.

At year-end, the maximum exposure of the Society to credit risk in accounts receivable was \$12,416,000 (2017 – \$10,820,000). This credit risk is minimized by the credit quality and a diverse debtor base. The Society maintains an allowance for potential credit losses.

#### ***Liquidity risk***

Liquidity risk is the risk that the Society will not be able to fund its obligations as they come due, including being unable to liquidate assets in a timely manner at a reasonable price. The Society monitors forecasts of cash flows from operations and investments and holds investments that can readily be converted into cash. Investment income is not a primary source of revenue for the Society and all underlying long-term securities are publicly listed.

The Society has not entered into any derivative transactions. In addition, the Society's contractual arrangements do not have any embedded features.

#### ***Cash and short-term investments***

Cash (bank balances) and short-term investments (less than one year) are amounts on deposit and invested in short-term investment vehicles according to the Society's investment policy.

#### ***Portfolio investments***

Portfolio investments are recorded at fair value. The Society manages financial risk associated with portfolio investments in accordance with its investment policy. The primary objective of the investment policy is to preserve and enhance the real capital base. The secondary objective is to generate investment returns to assist the Society in funding its programs. Convocation monitors compliance with the investment policy and regularly reviews the policy.

#### ***Capital assets***

Capital assets are presented at cost net of accumulated amortization. Amortization is charged to expenses on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	30 years
Building and leasehold improvements	Lesser of 10 years or term of lease
Furniture, equipment and computer hardware	3 to 5 years

#### ***Intangible assets***

Intangible assets comprising computer software are presented at cost net of accumulated amortization. Amortization is charged to expenses on a straight-line basis over three years.

#### ***Revenue recognition***

Annual member fees, insurance premiums and levies are set annually by Convocation and are recognized in the year to which they relate if the amount can be reasonably estimated and collection is reasonably

assured. Accordingly, fees for the next fiscal year received prior to December 31 have been deferred and are recognized as revenue in the next year.

Insurance premiums related to the unexpired term of coverage at the balance sheet date are reported as deferred revenue.

Professional development and competence revenues are recognized in the year to which they relate if the amount can be reasonably estimated and collection is reasonably assured. Fees for the next fiscal year received prior to December 31 have been deferred and are recognized as revenue in the next year.

Other revenues and realized investment income/losses are recognized when receivable if the amount can be reasonably estimated. Unrealized investment gains/losses are recognized with changes in the fair value of financial instruments.

Fees, insurance premiums and other revenues receivable are recorded as accounts receivable on the balance sheet, net of any required provision for doubtful amounts.

#### ***Provision for unpaid grants***

Pursuant to section 51(5) of the *Law Society Act*, the payment of grants from the Compensation Fund is at the discretion of Convocation. Grants paid from the lawyer pool of the Compensation Fund are subject to a limit per claimant of \$150,000 for claims incurred before September 22, 2016 and \$500,000 thereafter. Grants paid from the paralegal pool of the Compensation Fund are subject to a \$10,000 limit per claimant. The Compensation Fund expense represents a provision for unpaid grants, administrative expenses and expenses allocated from the General Fund.

Provisions for unpaid grants are recorded as liabilities on the balance sheet. The measurement of the ultimate settlement costs of claims made to date that underlies the provision for unpaid grants involves estimates and measurement uncertainty. Ultimate costs incurred could vary from current estimates. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the methods of estimation that have been used will produce reasonable results given the current information. These provisions represent an estimate of the present value of grants to be paid for claims and the associated administrative costs net of recoveries. Grant liabilities are carried on a discounted basis using the yield of the underlying assets backing the grant liabilities with a provision for adverse deviation. The discount rate is 2.4% (2017 – 1.98%).

#### ***Collections***

The Society owns a collection of legal research and reference material as well as a collection of portraits and sculptures. The cost of additions to the collections is expensed as incurred. No value is recorded in these financial statements for donated items. There have not been any significant changes to the collections in the current year.

#### ***Volunteer services***

Convocation, consisting of the Treasurer and benchers, governs the Society. Benchers may be elected by lawyers, paralegals, appointed by the provincial government, have ex-officio status by virtue of their office or past service as elected benchers or Treasurers, or qualify as emeritus benchers.

Elected and ex-officio benchers are only eligible for remuneration after contributing 26 days of voluntary time. The work of the Society is also dependent on other voluntary services by lawyers and paralegals. No value has been included in these financial statements for volunteer services.

#### ***Measurement uncertainty***

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The valuation of certain liabilities, unpaid grants and unpaid claims anticipates the combined outcomes of events that are yet to occur. There is uncertainty inherent in any such estimation and therefore a limitation upon the accuracy of these valuations. Future loss emergence may deviate from these estimates.

#### **4. Investment in Subsidiaries**

Investment in the Society's subsidiaries is recorded at cost:

	<b>2018</b>	<b>2017</b>
LawPRO	<b>35,642,000</b>	35,642,000
LibraryCo	<b>100</b>	100
<b>Total investment in subsidiaries</b>	<b>35,642,100</b>	35,642,100

#### ***LawPRO***

The Society provides mandatory professional liability insurance to lawyers through LawPRO, a provincially licensed insurer and wholly-owned subsidiary of the Society.

The professional liability insurance program generally requires practising lawyers to pay premiums and levies to the E&O Fund that contribute toward the premium paid by the Society to fund the anticipated costs of professional liability claims made in each annual policy period.

Paralegals obtain this form of coverage through independent insurance companies. In addition to providing mandatory lawyers professional liability insurance, LAWPRO also sells optional excess lawyers professional liability and title insurance.

The investment in LawPRO comprises:

(\$000s)	<b>2018</b>	<b>2017</b>
30,000 common shares of par value of \$100 each	<b>3,000</b>	3,000
20,000 6% non-cumulative, redeemable, non-voting preferred shares of par value of \$100 each	<b>2,000</b>	2,000
Investment in LAWPRO shares	<b>5,000</b>	5,000
Contributed capital	<b>30,642</b>	30,642
<b>Total investment</b>	<b>35,642</b>	35,642

Summarized balance sheet of LawPRO:

(\$000s)	2018	2017
Total assets	733,903	743,449
Total liabilities	480,441	489,771
Total shareholders equity	253,462	253,678
Total liabilities and shareholders equity	<b>733,903</b>	743,449

Summarized statement of income of LawPRO for the year ended December 31:

(\$000s)	2018	2017
Revenue	129,112	130,477
Expenses	106,575	129,956
Income before taxes	22,537	521
Income tax expense (recovery)	5,685	(95)
Net income	16,852	616
Other comprehensive (loss) net of tax	(17,068)	(404)
Comprehensive income	<b>(216)</b>	212

Summarized statement of cash flows of LawPRO for the year ended December 31:

(\$000s)	2018	2017
Net cash inflow from operating activities	10,323	13,032
Net cash outflow from investing activities	(20,287)	(8,698)
Cash and cash equivalents, beginning of year	20,245	15,911
Cash and cash equivalents, end of year	<b>10,281</b>	20,245

LawPRO administers the operations of the E&O Fund on behalf of the Society at no charge, under an administrative services agreement. LawPRO billed the Society \$102,657,000 (2017 – \$103,222,000) for premiums during the year. LawPRO contributed \$520,000 primarily to a wellness program provided by the Society to its licensees (2017 – \$185,000). These transactions are entered in the ordinary course of business and are measured at fair value. Included in the Society's financial statements are amounts due to LawPRO of \$8,483,000 (2017 – \$6,977,000). The amounts due to LawPRO are non-interest bearing and have no fixed terms of repayment.

### ***LibraryCo***

LibraryCo, a wholly-owned, not-for-profit subsidiary of the Society, was established to develop policies, procedures, guidelines and standards for the delivery of county law library services and legal information across Ontario and to administer funding on behalf of the Society. LibraryCo was incorporated under the Business Corporations Act (Ontario) in 2001. The Society holds all of the 100 common shares. Of the 100 special shares, 25 are held by the Toronto Lawyers Association ("TLA") and 75 are held by the Federation of Ontario Law Associations ("FOLA"). The Society may appoint up to four directors, FOLA may appoint up to three directors and TLA may appoint one director.

The Society levies and collects funds for county and district law library purposes and transfers these funds to

LibraryCo. Convocation internally restricts these funds for use by county and district law libraries to carry out their annual operations and any special projects approved by Convocation.

Summarized balance sheet of LibraryCo:

(\$000s)	2018	2017
Total assets	<b>734</b>	794
Total liabilities	25	22
Total share capital and fund balances	<b>709</b>	772
<b>Total liabilities, share capital and fund balances</b>	<b>734</b>	794

Summarized statement of income of LibraryCo for the year ended December 31:

(\$000s)	2018	2017
Total revenue	<b>7,913</b>	7,822
Total expenses	<b>7,976</b>	7,729
(Deficit) Surplus	<b>(63)</b>	93

Summarized statement of cash flows of LibraryCo for the year ended December 31:

(\$000s)	2018	2017
Net cash inflow (outflow)	<b>357</b>	(2)
Cash, beginning of year	<b>319</b>	321
Cash, end of year	<b>676</b>	319

The Society provided LibraryCo with a grant of \$7,900,000 (2017 – \$7,815,000) during the year. The Society provides administrative services to LibraryCo as well as certain other services and publications. The total amount billed by the Society for 2018 was \$342,000 (2017 – \$357,000). These transactions are entered in the ordinary course of business and are measured at fair value. Included in accounts receivables are amounts due from LibraryCo of \$9,000 (2017 – \$9,000).

## 5. Related Entity

The Law Society Foundation (“LSF”) is regarded as a related entity, although the Society does not have an equity interest in the LSF.

The LSF, a registered charity, was incorporated by Letters Patent in 1962. The objectives of the LSF are to foster, encourage and promote legal education in Ontario, provide financial assistance to licensing process candidates in Ontario, restore and preserve land and buildings of historical significance to Canada’s legal heritage, receive gifts of muniments and legal memorabilia of interest and significance to Canada’s legal heritage, maintain a collection of gifts of books and other written material for use by educational institutions in Canada, receive donations and maintain funds for the relief of poverty by providing meals to persons in need.

The Society provides facilities, administration, accounting, security and certain other services at no cost to the

LSF. Trustees of the LSF are elected by the members of the LSF. Included in the Society's accounts payable are amounts due to the LSF of \$20,000 (2017 – \$14,000).

## **6. Portfolio Investments**

(\$000s)	2018	2017
Debt securities	42,124	42,118
Canadian equities	19,456	21,501
<b>Total portfolio investments</b>	<b>61,580</b>	<b>63,619</b>

The debt securities have effective interest rates and maturity dates as follows:

	2018	2017
Effective interest rates (%)	2.0 – 4.0	1.1 – 3.1
Maturity dates (years)	1 – 9	1 – 8

## **7. Loan Receivable**

Canadian Legal Information Institute (“CanLII”) is a not-for-profit organization established by the Federation of Law Societies to provide access to judicial decisions and legislative documents on the internet. Lexum Informatique Juridique Inc. (“Lexum”) is a software company that operates online information delivery products, primarily for CanLII. CanLII purchased all the shares of Lexum in February 2018. The Society contributed \$878,000 to a subordinated syndicated loan with all the other Canadian law societies as part of the funding of this purchase in February 2018. This loan has an annual interest rate of 4.74%, compounded semi-annually and will mature in full five years from the date of closing.

As set out in Note 16, Commitments, part of the Society's support of this transaction is an annual repayable capital payment of \$280,000 in 2019, 2020 and 2021 to fund three annual balance of sale payments to the vendors of Lexum.

## **8. Capital Assets and Intangible Assets**

Capital Assets (\$000s)	2018			2017
	Cost	Accumulated Amortization	Net	Net
Land and buildings	25,395	23,826	1,569	2,120
Building and leasehold improvements	28,887	21,760	7,127	7,074
Furniture, equipment and computer hardware	3,808	3,477	331	329
<b>Total capital assets</b>	<b>58,090</b>	<b>49,063</b>	<b>9,027</b>	<b>9,523</b>

Intangible Assets (\$000s)	2018			2017 Net
	Cost	Accumulated Amortization	Net	
Computer software	11,056	6,797	4,259	1,315
Total intangible assets	11,056	6,797	4,259	1,315

## 9. Accounts Payable and Accrued Liabilities and Accounts Receivable

Included in accounts payable is \$502,000 in government remittances, primarily sales taxes (2017 – \$589,000).

The accounts receivable balance comprises:

(\$000s)	2018	2017
Accounts receivable	31,221	27,295
Allowance for doubtful accounts	18,805	16,475
Accounts receivable – net	12,416	10,820

The allowance for doubtful accounts mainly relates to annual fees, regulatory compliance ordered costs and licensing process fees.

## 10. Unclaimed Trust Funds

Section 59.6 of the *Law Society Act* permits a licensee who has held money in trust for, or on account of, a person for a period of at least two years, to apply in accordance with the by-laws for permission to pay the money to the Society. Money paid to the Society is held in trust in perpetuity for the purpose of satisfying the claims of the persons who are entitled to the capital amount. Subject to certain provisions in the Act enabling the Society to recover its expenses associated with maintaining these funds, net income from the money held in trust shall be paid to the Law Foundation of Ontario. Unclaimed money held in trust amounts to \$5,390,000 (2017 – \$5,037,000).

## 11. Other Trust Funds

The Society administers client funds for licensees under voluntary or court-ordered trusteeships. These funds and matching liabilities are not reflected on the Balance Sheet. Money paid to the Society is held in trust until it is repaid to the clients or transferred to the Unclaimed Trust Funds. At December 31, 2018, total funds held in trust amount to \$4,058,000 (2017 – \$3,214,000).

## 12. Other Revenues

Other Revenues primarily comprise income from *Ontario Reports* royalties, administrative fees, regulatory compliance ordered cost recoveries and catering.

### **13. Other Expenses**

Included in Convocation, policy and outreach expenses are payments for the remuneration of elected, ex-officio and lay benchers during the year of \$711,000 (2017 – \$847,000). The total expense reimbursements of the elected, ex-officio and lay benchers during the year was \$515,000 (2017 – \$488,000). The Treasurer's honorarium expense for the year was \$197,000 (2017 – \$189,000).

### **14. Interfund Transfers**

During the year, the following interfund transfers took place which have been approved by Convocation:

- \$5,044,000 from the Capital Allocation Fund to the Invested in Capital and Intangible Assets Fund representing assets capitalized during the year in compliance with the Society's accounting policies;
- \$600,000 from the E&O Fund to the lawyer General Fund as provided in the 2018 budget representing accumulated investment income, surplus to the needs of the E&O Fund;
- \$100,000 from the lawyer General Fund to the Repayable Allowance Fund, as provided in the 2018 budget to fund the Repayable Allowance Program in the Licensing Process;
- \$190,000 from the Special Projects Fund to the lawyer General Fund; and
- \$76,000 from the lawyer General Fund to the Capital Allocation Fund.

### **15. Pension Plan**

The Society maintains a defined contribution plan for all eligible employees of the Society. Each member of the plan, other than designated employees, elects to contribute matching employee and employer contributions from 1% to 6% of annual earnings up to the maximum deduction allowed by the Canada Revenue Agency. Designated employees, who hold executive positions, have contributions made to the plan by the Society equivalent to 12% of annual earnings up to the maximum deduction allowed by the Canada Revenue Agency. The Society's pension expense in 2018 amounted to \$2,734,000 (2017 – \$2,629,000).

### **16. Commitments**

The Society is committed to monthly lease payments for basic and additional rent for property under leases having various terms up to February 2028. Aggregate minimum annual payments to the expiry of the leases are approximately as follows:

2019	\$2,189,000
2020	\$2,220,000
2021	\$2,348,000
2022	\$2,464,000
2023	\$2,580,000
Thereafter	<u>\$11,805,000</u>
Total	<u>\$23,606,000</u>

In 2016, Convocation approved the Society's support for the Law Commission of Ontario's mandate for a third five-year period. The Society's contribution will be \$151,000 in 2019, increasing by 2% per annum for the next two years.

Pursuant to the loan arrangement described in Note 7, the Society is committed to pay \$280,000 annually for the 2019, 2020 and 2021 years to fund three annual balance of sale payments to the vendors of Lexum.

## **17. Contingent Liabilities**

A number of claims or potential claims are pending against the Society. It is not possible for the Society to predict with any certainty the outcomes of such claims or potential claims. Management is of the opinion, based on the information presently available, that it is unlikely any liability, to the extent not covered by insurance or inclusion in the financial statements, would be material to the Society's financial position.

## **18. Comparative Figures**

Certain of the prior year balances have been reclassified to conform to the current year's presentation.

## 19. Restricted Funds

A schedule of Restricted Funds is set out below.  
Stated in thousands of dollars

	2018		2017	
	Compensation Funds	Lawyer Paralegal	Other	Total
<b>Fund balances, beginning of year</b>	<b>3,285</b>	<b>717</b>	<b>County libraries</b>	<b>86,214</b>
<b>Revenues</b>			<b>Invested in capital and intangible assets</b>	
Annual fees	12,420	70	4,301	24,822
Insurance premiums and levies	–	–	–	102,657
Investment income	769	97	–	1,310
Change in fair value of investments	(1,249)	(158)	–	(2,395)
Other	68	9	88	(74)
<b>Total revenues</b>	<b>12,008</b>	<b>18</b>	<b>4,389</b>	<b>126,320</b>
<b>Total expenses</b>	<b>3,531</b>	<b>84</b>	<b>102,113</b>	<b>118,777</b>
<b>Surplus (deficit)</b>	<b>8,477</b>	<b>(66)</b>	<b>102,657</b>	<b>122,299</b>
Interfund transfers	–	–	(544)	(2,596)
<b>Fund balances, end of year</b>	<b>11,762</b>	<b>651</b>	<b>4,144</b>	<b>130,229</b>
			<b>13,286</b>	<b>758</b>
			<b>131</b>	<b>753</b>
			<b>(4,968)</b>	<b>(614)</b>
			<b>5,044</b>	<b>91</b>
			<b>131</b>	<b>78,375</b>
			<b>–</b>	<b>78,375</b>

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